

UNLESS THE ARTICLES OTHERWISE PROVIDE, STOCK IN THE SUCCESSOR OF A CONSOLIDATION OR MERGER OTHERWISE DELIVERABLE IN EXCHANGE FOR THE STOCK OF AN OBJECTING STOCKHOLDER HAS THE STATUS OF AUTHORIZED BUT UNISSUED STOCK OF THE SUCCESSOR. HOWEVER, A PROCEEDING FOR REDUCTION OF THE CAPITAL OF THE SUCCESSOR IS NOT NECESSARY TO RETIRE THE STOCK OR TO REDUCE THE CAPITAL OF THE SUCCESSOR REPRESENTED BY THE STOCK.

REVISOR'S NOTE: Subsection (a) of this section combines without substantive change provisions presently appearing in Art. 23, §73(k) (1) and (l) (1).

Subsection (b) of this section presently appears as Art. 23, §73(k) (2).

Subsection (c) of this section presently appears as Art. 23, §73(l) (2).

The only changes are in style.

SUBTITLE 3. PARTIAL LIQUIDATION AND REORGANIZATION.

3-301. PROCEDURE FOR PARTIAL LIQUIDATION.

(A) GENERAL RULE.

(1) SUBJECT TO THE PROVISIONS OF § 3-302 OF THIS SUBTITLE, A CORPORATION MAY DISTRIBUTE A PORTION OF ITS ASSETS TO ITS STOCKHOLDERS AS A DISTRIBUTION IN PARTIAL LIQUIDATION.

(2) EXCEPT TO THE EXTENT THE CHARTER OF THE CORPORATION PROVIDES OTHERWISE, THIS SECTION GOVERNS THE PROCEDURE FOR A DISTRIBUTION IN PARTIAL LIQUIDATION.

(B) DIRECTORS' ACTION.

THE BOARD OF DIRECTORS OF A CORPORATION PROPOSING A DISTRIBUTION IN PARTIAL LIQUIDATION SHALL:

(1) ADOPT A RESOLUTION WHICH:

(I) DECLARES THAT THE DISTRIBUTION IN PARTIAL LIQUIDATION IS ADVISABLE; AND

(II) IF THE DISTRIBUTION IS TO BE MADE IN PROPERTY, STATES THE AGGREGATE VALUE OF THE PROPERTY AND THE VALUE OF THE DISTRIBUTION PER SHARE; AND

(2) DIRECT THAT THE PROPOSED TRANSACTION BE SUBMITTED FOR CONSIDERATION AT EITHER AN ANNUAL OR A SPECIAL MEETING OF THE STOCKHOLDERS.